



August 23, 2021

## Douglass Hill Tax Increment Financing (TIF) Redevelopment Plan

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**DOUGLASS HILL  
TAX INCREMENT FINANCING (TIF)  
REDEVELOPMENT PLAN**

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August 23, 2021

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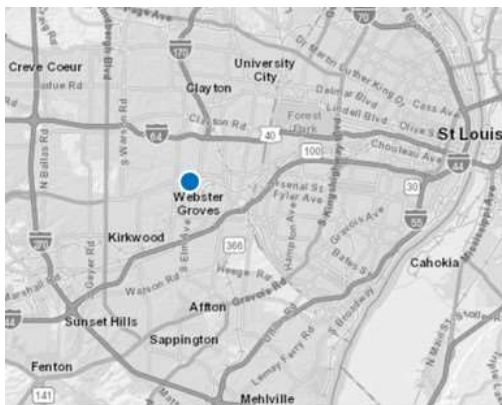
- A Legal Description of Douglas Hill TIF Redevelopment Area and RPAs
- B Evidence of Commitment to Finance Project Costs
- C Developer’s Affidavit



## 1. INTRODUCTION

### Overview of Redevelopment Area

The Douglass Hill Tax Increment Financing (TIF) Redevelopment Area (the “Redevelopment Area” or “Area”) is located at the northwest corner of Pacific Avenue and Gore Avenue, immediate adjacent to the downtown Old Webster neighborhood, in Webster Groves, Missouri (the “City”). The Redevelopment Area, which consists of 33 parcels containing approximately 18.8 acres (inclusive of rights-of-way), is bounded by Kirkham Road to the north, Gore Avenue to the east, Pacific Avenue to the south, and Rock Hill Road to the west. Including the rights-of-way, the Redevelopment contains approximately 18.8 acres.



#### SITE LOCATION

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The Redevelopment Area is currently comprised of many uses, including warehousing/light industrial, institutional, utility, retail, multi-family housing, single-family housing, vacant land, and gravel parking lots.



## AERIAL IMAGERY 2020

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## Neighboring Development

The Redevelopment Area is located immediately north of the downtown Old Webster neighborhood. However, it is physically separated from downtown by the active Union Pacific Railroad right-of-way. Immediately to the east of the Redevelopment Area are a mix of businesses, including Milford Kitchen and Bath, Rolling Ridge Nursery, and Bill Wood Remodeling. Single-family residential homes are immediately beyond these businesses.

To the north of the Redevelopment Area across Kirkham Road are single-family homes.

To the west, across Rock Hill Road, are single-family homes.

To the south is the Union Pacific Railroad right-of-way, with a mix of active retail, restaurant, and office uses in downtown Old Webster.





## NEIGHBORING DEVELOPMENT

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## Existing Zoning

The Redevelopment Area currently features a mix of zoning districts, including:

- A4 – 7,500 square foot Residence
- E – Industrial
- B1 – Planned Multifamily Residence
- PC – Planned Commercial

There is an un-zoned parcel of park/open space land at Kirkham and Gore. The non-residentially zoned parcels of land are contained within the Old Webster Business District.

An application to rezone the entire Redevelopment Area to PC - Planned Commercial District is currently with the Webster Groves Planning Commission.



**EXISTING ZONING**  
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Webster Groves, Missouri

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## Purpose of Redevelopment Plan

The Redevelopment Area represents a unique opportunity for redevelopment in Webster Groves, given its:

- Location within the Old Webster Business District, and ability to simultaneously leverage the assets of the district and help bring renewed energy and a new focal point to this important part of the city.
- Ability to replace underutilized buildings and parcels adjacent to downtown Old Webster with new buildings and infrastructure that bring a mix of uses that will enhance the housing opportunities, economic competitiveness, and community character of Webster Groves.
- Tie-in with future anticipated Great Rivers Greenway (GRG) planning and the ability to leverage enhancements to the existing Shady Creek, which runs through the Redevelopment Area, to be an environmentally sustainable feature of the redevelopment.

Given its strategic location, the Area is an excellent location for a mixed-use development that will create a catalyzing effect for the Old Webster Business District by providing:

- A concentration of new residents that will bolster the market for retail shopping, dining, and services in Old Webster and beyond.



- New office uses that not only provide jobs but also bring employees into the market to enhance daytime commerce.
- A mix of housing that provides transitions from the surrounding neighborhoods.

The Redevelopment Area represents a very important redevelopment opportunity to leverage the community and infrastructure assets immediately adjacent to the thriving downtown Old Webster area and its:

- Accessibility to Rock Hill Road, a major north-south connector that connects Webster Groves to Interstate 64.
- Immediate adjacency to the Webster Groves Sculpture Park, Shady Creek Nature Sanctuary, and proposed connections for Great Rivers Greenway's Deer Creek Greenway, which would connect downtown Old Webster to the larger Great Rivers Greenway system.
- Proximity to Webster University and Eden Theological Seminary, which are significant employment centers for the area.

Thus, given its strategic location, the Area is an excellent location for a mixed-use development that will:

- Enhance an area that features a mix of vacant parcels and underutilized structures with attractive, modern residential, retail, dining, and office uses;
- Provide additional retail opportunities and services for the residents and businesses of Webster Groves and neighboring communities;
- Provide new employment opportunities;
- Introduce new residents that may patronize existing businesses in the Old Webster neighborhood;
- Provide an enhanced source of tax revenues for the City of Webster Groves and other taxing jurisdictions; and
- Provide enhanced public roadways and traffic flow, especially along Rock Hill Road and Gore Avenue, that will enhance access and safety.

## **Summary of Redevelopment Plan**

The Redevelopment Area (inclusive of rights-of-way) currently contains approximately 18.8 acres with many uses including warehousing/light industrial, institutional, retail, multi-family housing, single-family housing, vacant land, and gravel parking lots. The Redevelopment Plan proposes to replace these uses with:

- approximately 610-620 new rental apartments;
- roughly 90-100 for-sale condominium and 15-20 townhome units;
- new modern retail and dining containing approximately 46,000-47,000 square feet of space;
- new office space, containing approximately 115,000 to 120,000 square feet of space; and

- approximately 1,400 – 1,500 garage and surface spaces to support the commercial, office, and residential uses.

## **Use of Tax Increment Financing**

To facilitate redevelopment of the Redevelopment Area, SG Collaborative, LLC (the “Developer”) proposes to use tax increment allocation financing (“TIF”) pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo (the “TIF Act”). TIF has proven to be an effective tool for remedying conditions in “blighted areas” and for encouraging growth and development through investment by private enterprise in situations such as those faced in the Redevelopment Area.

The Redevelopment Area will consist of three Redevelopment Project Areas (“RPAs”) and the Area-Wide Projects, as more fully described and as depicted in Section 6 of this Redevelopment Plan. It is expected that the Redevelopment Project for RPA 1 and the Area-Wide Projects will be approved contemporaneously with the approval of this Redevelopment Plan, and that the Redevelopment Projects for RPAs 2 and 3 will be approved when redevelopment of those RPAs is ready to commence.

## **Why Tax Increment Financing is Needed in the Redevelopment Area**

While the City of Webster Groves continues to be interested in development and redevelopment opportunities, there have been a number of impediments to private redevelopment. The costs associated with significant site assemblage, site preparation, site improvements, new construction, and structured parking exceed what private developers can typically pay to develop property in this market. While these extraordinary development costs increase the overall project cost and resulting annual expenses, future commercial and residential tenants will still only be willing to pay market-rate rents. Consequently, an imbalance between expenses and revenues is created that makes the project economically infeasible unless selected development costs are effectively reduced by means of TIF. These economic factors represent the first component of the “but for” justification upon which this project’s use of TIF is based. That is, without the use of tax increment financing, the Redevelopment Area would not reasonably be anticipated to be developed.

The Developer’s affidavit, included as Appendix C, attests to the second component that the Redevelopment Area qualifies as a “blighted area” (as defined by the TIF Act) and that the Area has not been subject to growth and development through investment by private enterprise and, therefore, would not reasonably be anticipated to be developed without the adoption of Tax Increment Financing.

Development Strategies has also prepared a report (*Data and Analysis of Conditions Representing a “Blighted Area” for the Douglass Hill Redevelopment Area*) describing the conditions that support a finding that the Redevelopment Area is a “blighted area”.

## **Use of Tax Increment Financing**

Upon the City's adoption of TIF and approval of a Redevelopment Project for the applicable RPA described in this Redevelopment Plan, payments resulting from increased assessed valuations on new development occurring within the applicable RPA ("Payments in Lieu of Taxes" or "PILOTs") and fifty percent of incremental increases in certain taxes generated by economic activities within the applicable RPA ("Economic Activity Taxes" or "EATs") will be reallocated and deposited for a limited time into a special fund of the City. These revenues may be used to secure TIF Obligations, the proceeds of which, in turn, may be used to finance the various Redevelopment Project Costs enumerated in section 99.805(15) of the TIF Act. Because reallocation is limited to "incremental" increases in revenues, all ad valorem taxing districts will continue to receive the same amount of taxes they currently receive from properties within the applicable RPA. Further, for the duration of the redevelopment project, all increases in personal property, increases in commercial surcharge tax revenues and fifty percent of the EATs, such as sales taxes, will be passed through to the applicable taxing districts.

Once the TIF Obligations are retired, the TIF will be dissolved and all taxes generated in the Redevelopment Area will be based on the then-current assessed valuation and tax rates.

## **Organization of this Redevelopment Plan**

Sections 99.805(13) and 99.810 of the TIF Act set forth the requirements for redevelopment plans. Accordingly, this Redevelopment Plan represents the comprehensive program of the City intended by the payment of Redevelopment Project Costs to reduce or eliminate those conditions, the existence of which qualify the Redevelopment Area as a "blighted area" (as defined in Section 99.805 of the TIF Act), and to thereby enhance and insure the tax base of the taxing districts which extend into the Redevelopment Area.

Subsequent sections of this Redevelopment Plan set forth a summary of key findings, Redevelopment Plan objectives, and a general description of the program and activities to accomplish the objectives; existing and proposed land uses for the Redevelopment Area; the estimated costs of the Redevelopment Project; the anticipated sources of funds to pay costs; evidence of the commitments to finance the costs of projects; the anticipated type and term of the sources of funds to pay costs; the anticipated type and terms of the obligations to be issued; the most recent equalized assessed valuation of the property within the Redevelopment Area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to Section 99.845 of the TIF Act; and an estimate of the equalized assessed valuation after redevelopment. This Redevelopment Plan also provides the basis and documentation for findings required by Sections 99.810.1(1) through 99.810.1(6) of the TIF Act and summarizes reporting requirements imposed by Sections 99.810.2 and 99.865 of the TIF Act.



## **2. SUMMARY OF KEY FINDINGS**

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### **Introduction**

In order to establish a Redevelopment Area, adopt a Redevelopment Plan, and authorize tax increment financing, the City must find, and this Plan concludes, pursuant to Section 99.810 of the TIF Act that:

- a. The Redevelopment Area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding shall include, but not be limited to, a detailed description of the factors that qualify the Redevelopment Area or project pursuant to sections 99.805(1) and 99.810.1 of the TIF Act and an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of section 99.810.1 of the TIF Act have been met;
- b. The Redevelopment Plan conforms to the comprehensive plan for the development of the municipality as a whole;
- c. The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a Redevelopment Project within a Redevelopment Area, of completion of any Redevelopment Project and retirement of obligations incurred to finance Redevelopment Project costs have been stated;
- d. A plan has been developed for relocation assistance for businesses and residences that will be relocated;
- e. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district that is at least partially within the boundaries of the Redevelopment Area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the Redevelopment Plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information for the TIF Commission to evaluate whether the project as proposed is financially feasible; and
- f. The Plan does not include the initial development or redevelopment of a "gambling establishment" (as that term is defined in section 99.805(6) of the TIF Act).

Documentation of the determination that the Redevelopment Area meets the requirements of the TIF Act follows:

## **Blighted Area and Not Subject to Growth and Development by Private Enterprise and Not Reasonably Anticipated to be Developed Without TIF**

The Redevelopment Area meets the requirements for designation as a “blighted area” as defined by Section 99.805(1) of the TIF Act. The *Data and Analysis of Conditions Representing a “Blighted Area” for the Douglass Hill Redevelopment Area* report (“Blight Study”), which is incorporated herein by reference, details, and documents the conditions which qualify the Redevelopment Area as a “blighted area.”

The Redevelopment Area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Appendix C to this Redevelopment Plan contains an affidavit, signed by the Developer (SG Collaborative, LLC) that is submitted with and incorporated into this Redevelopment Plan by this reference, attesting that the provisions of Section 99.810.1 of the TIF Act have been met.

## **Conformance to the City’s Comprehensive Plan**

According to the 1978 *Comprehensive Plan* (the “Comprehensive Plan”) and the 2006 *Webster Groves Development Foundation Plan* (the “Development Foundation Plan”), the entire Redevelopment Area was identified as an area that would be well-situated for redevelopment as a mixed-use district, which the comprehensive plan indicates will “add to the commercial stability of Old Webster in the future without impacting more traditional single family neighborhoods.” The proposed development program for the Redevelopment Area clearly meets this definition.

## **Estimated Dates for Completion of the Redevelopment Projects and Retirement of Obligations to Finance Costs of Redevelopment Projects**

This Redevelopment Plan states, in Section 8, that all TIF Obligations issued to finance costs of the Redevelopment Projects are estimated to be retired no later than 23 years from the anticipated date of adoption of any ordinance approving a Redevelopment Project Area described herein.

Construction of the RPA 1 Redevelopment Project (including the Area-Wide Projects) is expected to break ground Q2 2022. The Developer anticipates RPA 1 construction to be completed in late 2023. Subject to market conditions, the Developer expects RPA 2 construction to start in spring 2023 and be completed in late 2024; RPA 3 construction to start in spring 2024 and be completed in late 2025. Market conditions and other circumstances beyond the Developer’s control may alter all of the foregoing expected completion dates.

## **Relocation Assistance Plan**

By Ordinance No. \_\_\_\_\_, the City of Webster Groves adopted a Relocation Policy that incorporates the required provisions of Section 523.200 to 523.215 of the Missouri Revised

Statutes. The Developer expects that relocation assistance will be offered to owners of residences and businesses in the Redevelopment Area in accordance with the City's relocation policy.

### **Cost-Benefit Analysis Showing Economic Impact on Each Taxing District**

A separate Cost-Benefit Analysis prepared by Development Strategies shows the economic impact of this Redevelopment Plan on each taxing district that is at least partially within the boundaries of the Redevelopment Area. The analysis shows the impact on the economy if the RPAs 1 through 3 Redevelopment Projects are not built, as well as the impact if the RPAs 1 through 3 Redevelopment Projects are built pursuant to the Redevelopment Plan.

The Cost Benefit Analysis additionally includes a study of the fiscal impact on each affected taxing district, and sufficient information from the Developer for the TIF Commission to evaluate whether the Redevelopment Projects, as proposed, are financially feasible.

The revenue projections shown in the Cost-Benefit Analysis are estimates only. The revenues projected therein may or may not be realized during the 23-year term of the respective RPAs.

### **No Gambling Establishment**

This Redevelopment Plan does not include the initial development or redevelopment of any "gambling establishment" (as that term is defined in section 99.805(6) of the TIF Act).



### 3. REDEVELOPMENT PLAN OBJECTIVES

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The following objectives have been established for this Redevelopment Plan. These objectives are consistent with those contained in the City of Webster Groves' *Comprehensive Plan* and *Development Foundation Plan*, as well as those purposes outlined in the TIF Act:

- to reduce or eliminate those conditions, the existence of which qualify the Redevelopment Area as a “blighted area” and thereby enhance the public health, safety, welfare, or morals of the Area;
- to encourage the development of a mixture of housing types that will serve all residents of Webster Groves;
- to promote development that encourages walkability to nearby shopping, dining, and amenities;
- to encourage the maintenance of existing park and natural features;
- to promote quality pedestrian connections to the proposed Deer Creek Greenway (projected to run from Deer Creek Park to the Gravois Greenway);
- to provide new job opportunities (construction and permanent) for the residents of the City; and
- as a result of these activities, to enhance the tax bases and the resulting tax revenues for the City of Webster Groves and all other taxing districts that extend into the Redevelopment Area.

#### 4. GENERAL DESCRIPTION OF THE PROGRAM AND ACTIVITIES TO ACCOMPLISH OBJECTIVES

##### General Activities

To accomplish the objectives of this Redevelopment Plan, a program has been initiated to make TIF available within the Redevelopment Area and to attract and encourage private investment in the Redevelopment Area. Steps undertaken to date include:

- preparation of this Redevelopment Plan providing for the redevelopment of the Redevelopment Area that is in accordance with the City's Comprehensive Plan and Development Foundation Plan;
- study of the Redevelopment Area to document the existence of conditions that render the Redevelopment Area a "blighted area" under the TIF Act. The study methodology and documentation are set forth in a separate document, entitled *Data and Analysis of Conditions Representing a "Blighted Area" for the Douglass Hill Redevelopment Area*. (study results provide the basis for the findings in Section 2 of this Redevelopment Plan); and
- solicitation and consideration of proposals from qualified private entities for redevelopment projects within the Redevelopment Area and selection of qualified redevelopers for purposes of negotiation to implement a redevelopment project, or projects, that meet



##### EXISTING LAND USE

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the goals and objectives of the City's Comprehensive Plan, Development Foundation Plan and this Redevelopment Plan.

As a result of these efforts, this Redevelopment Plan envisions a new mixed-use development for the City of Webster Groves and the St. Louis region.

Subsequent activities necessary to implement the Redevelopment Project and to accomplish the objectives of this Redevelopment Plan include, without limitation:

- the negotiation, approval, and execution of a Redevelopment Agreement providing for the terms upon which the developer will undertake the Redevelopment Projects in accordance with this Redevelopment Plan;
- remediation of existing environmental contamination;
- construction of new transportation and parking improvements;
- construction of new residential, retail, dining, and office uses;
- installation of site improvements, including but not limited to improved landscaping, lighting, and other finishes;
- utility relocation and configuration; and
- funding of certain Redevelopment Project Costs (as defined in the TIF Act).

The implementation of the above cited activities will depend upon market conditions and demand, the availability of financing and unforeseen events and circumstances.

Accordingly, the actual results achieved may vary from the contemplated and envisioned activities.



## 5. EXISTING LAND USE

The Redevelopment Area is currently comprised of many uses, including warehousing/light industrial, institutional, retail, multi-family housing, single-family housing, vacant land, and gravel parking lots.

EXISTING LAND USE IN THE DOUGLASS HILL REDEVELOPMENT AREA As of July 2021		
Land Use	Acres (1)	% of Total
Vacant Land	3.2	24.4%
Parking Lot	0.6	4.6%
Commercial/Industrial	8.1	61.8%
Institutional	0.1	0.8%
Single Family	0.5	3.8
Residential Multi-Family	0.6	4.6%
<b>TOTAL</b>	<b>13.1</b>	<b>100%</b>

Source: Development Strategies field survey and records of St. Louis County.

(1) Excludes rights-of-way



**EXISTING LAND USE**  
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## 6. PROPOSED DEVELOPMENT PLAN

### General Land Use and Redevelopment Project Areas

When completed, the Redevelopment Area will provide a modern mixed-use development that will include new residential, retail, dining, and office uses, supported by parking garages and surface parking and associated site amenities. The Redevelopment Area is divided into three separate Redevelopment Project Areas (RPAs) as illustrated below.

Below is a general description of the development projected to occur in each of the RPAs.



**Redevelopment Project Area 1:** This RPA contains approximately 9.68 acres, exclusive of rights-of-way (13.75 acres including rights-of-way of Kirkham Road, Gore Avenue, Pacific Avenue, and Rock Hill Road). To enhance the commercial value and viability of the RPA, the following actions are proposed:

- Demolition of certain existing structures in the RPA;
- Remediation of any hazardous materials, if present, in the land throughout the RPA;
- Construction of new infrastructure, including the introduction of new utilities and roadways;
- Construction of approximately 410 to 420 multifamily residential units;
- Construction of approximately 45 to 50 condominium residential units;

- Construction of 15 to 20 townhome units;
- Construction of approximately 8,450 square feet of retail / commercial;
- Construction of new parking garages and surface lots containing approximately 650 to 675 parking spaces;
- Creation of an outdoor gathering space; and,
- Provision of attractive landscaping, exterior lighting, and other site upgrades to improve the overall image, safety, and functioning of RPA 1.

**Redevelopment Project Area 2:** This RPA, located on the central eastern portion of the Redevelopment Area, contains approximately 1.70 acres.

To enhance the commercial value and viability of the RPA, the following actions are proposed:

- Demolition of certain existing structures in the RPA;
- Remediation of hazardous materials, if present, in the land throughout the RPA;
- Construction of approximately 24,300 square feet of retail and dining space;
- Construction of approximately 100 to 110 multifamily apartment units;
- Construction of 115,000 to 120,000 square feet of office space;
- Construction of new parking garages and surface lots containing approximately 500 to 550 parking spaces; and,
- Provision of attractive landscaping, exterior lighting, and other site upgrades to improve the overall image, safety, and functioning of RPA 2.

**Redevelopment Project Area 3:** This RPA contain approximately 3.39 acres.

- Demolition of certain existing structures in the RPA;
- Remediation of hazardous materials, if present, in the land throughout the RPA;
- Construction of approximately 13,750 square feet of retail space;
- Development of approximately 80 to 90 multifamily apartment units;
- Construction of 45 to 50 condominium units;
- Construction of new parking garages and surface lots containing approximately 200 to 225 parking spaces; and,
- Provision of attractive landscaping, exterior lighting, and other site upgrades to improve the overall image, safety, and functioning of RPA 3.

**Area-Wide Projects:** The Area-Wide Projects will be located in RPA 1, but will be funded by revenues from RPAs 1, 2, and 3. The work will serve RPAs 1, 2, and 3, and will allow for the construction of common-area open space, demolition, remediation, grading, a pedestrian bridge over railroad tracks, utilities, roadways, and infrastructure to be provided that will serve all RPAs.



Following are illustrative drawings of the anticipated character of proposed development.







Main Street entry from Gore



Main Street entry from Rock Hill









## 7. ESTIMATED REDEVELOPMENT PROJECT COSTS

### Redevelopment Project Area Costs

The estimated Redevelopment Project costs for all RPAs is \$275.7 million exclusive of issuance costs. The table below illustrates a potential allocation of total costs.

<b>DOUGLASS HILL REDEVELOPMENT PROJECT AREAS ESTIMATED PROJECT COSTS (Millions) <sup>1, 2</sup></b>								
<b>RPA</b>	<b>Studies &amp; Professional Services</b>	<b>Property Acquisition<sup>4</sup></b>	<b>Site Preparation</b>	<b>Infrastructure<sup>5</sup></b>	<b>New Building</b>	<b>Financing</b>	<b>Contingency<sup>3</sup></b>	<b>TOTAL</b>
<b>1</b>	\$20.3	\$9.9	\$0.0	\$0.0	\$99.0	\$5.3	\$11.0	<b>\$145.5</b>
<b>2</b>	4.3	6.9	0.0	0.0	21.9	1.5	2.4	<b>37.0</b>
<b>3</b>	8.3	3.4	0.0	0.0	41.0	2.2	4.5	<b>59.4</b>
Area-Wide	0.0	0.0	9.0	19.4	0.0	0.0	5.4	<b>33.8</b>
Total	<b>\$32.9</b>	<b>\$20.2</b>	<b>\$9.0</b>	<b>\$19.4</b>	<b>\$161.8</b>	<b>\$9.0</b>	<b>\$23.38</b>	<b>\$275.7</b>

1. The estimation of Redevelopment Project Costs is based upon certain assumptions that may not materialize and, as an estimate or projection, is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in this estimation.
2. Because of the uncertainty of the above estimated Redevelopment Project Costs and because the amount of costs for certain categories may vary as a result of unforeseen events and circumstances, the above costs may be shifted among the categories of costs.
3. Contingency for RPAs 1, 2, and 3 is assumed to be roughly 10% of New Building (hard costs). Contingency for the Area Wide improvements is assumed to be 19% of the total infrastructure and site preparation costs.
4. Property Acquisition was attributed proportionally to each RPA based on the proportion of proposed building footprints.
5. The Area-Wide Projects will be located in RPA 1, but will be funded by revenues from RPAs 1, 2, and 3. Redevelopment Area-Wide Projects costs shall be limited to funding of common-area open space, demolition, remediation, grading, a pedestrian bridge over railroad tracks, utilities, roadways, and infrastructure. Area-Wide Projects Costs benefit all RPAs, therefore all or any portion of the costs thereof may be recovered from TIF Revenues of all RPAs.

## **TIF Eligible Redevelopment Project Costs**

Section 99.805(15) of the TIF Act authorizes the City to include as Redevelopment Project Costs "...the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable." p

The TIF Act states that eligible Redevelopment Project Costs include but are not limited to:

- a) Costs of studies, surveys, plans, and specifications;
- b) Professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services, subject to the limitations of Section 99.805(15)(b) of the TIF Act;
- c) Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- e) Costs of construction of public works or improvements;
- f) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 of the TIF Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves thereto;
- g) All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
- h) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law; and
- i) Payments in lieu of taxes.

The following table illustrates the Redevelopment Project Costs that are expected to be funded by TIF revenues:

<b>DOUGLASS HILL REDEVELOPMENT PROJECT AREAS ESTIMATED TIF ELIGIBLE FUNDED PROJECT COSTS (Millions) <sup>(1)</sup></b>									
<b>RPA</b>	<b>Studies &amp; Professional Services</b>	<b>Property Acquisition</b>	<b>Site Preparation</b>	<b>Infrastructure</b>	<b>New Building</b>	<b>Financing</b>	<b>Contingency</b>	<b>RPA Total Eligible Costs</b>	<b>Maximum TIF Proceeds(2)</b>
<b>1</b>	\$20.3	\$9.9	\$0.0	\$0.0	\$99.0	\$5.3	\$11.0	<b>\$145.5</b>	<b>\$1.2</b>
<b>2</b>	4.3	6.9	0.0	0.0	21.9	1.5	2.4	<b>37.0</b>	<b>\$0.0</b>
<b>3</b>	8.3	3.4	0.0	0.0	41.0	2.2	4.5	<b>59.4</b>	<b>\$0.0</b>
<b>Area-Wide Projects</b>	0.0	0.0	9.0	19.4	0.0	0.0	5.4	<b>33.8</b>	<b>\$33.8</b>
<b>TOTAL</b>	<b>\$32.9</b>	<b>\$20.2</b>	<b>\$9.0</b>	<b>\$19.4</b>	<b>\$161.82</b>	<b>\$9.0</b>	<b>\$23.38</b>	<b>\$275.7</b>	<b>\$35.0</b>

1. The estimation of TIF funded Redevelopment Projects Costs is based upon certain assumptions that may not materialize and, as an estimate or projection, is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in this estimation. Accordingly, the actual Redevelopment Project Costs may vary from the contemplated costs. These Redevelopment Project Costs may be updated and revised as Redevelopment Project Areas are activated following a TIF Commission public hearing.
2. The "Maximum TIF Proceeds" amounts shown above represent the total principal amount of TIF Obligations which may be issued as to each RPA. Area-Wide Projects costs shall be limited to funding of common-area open space, demolition, remediation, grading, pedestrian bridge over railroad tracks, utilities, roadways, and infrastructure. Area-Wide Projects costs benefit all RPAs, therefore all or any portion of the costs thereof may be recovered from TIF Revenues of all RPAs. The maximum aggregate total for all TIF Obligations (exclusive of costs of issuance of TIF Obligations (as hereinafter defined), reserve accounts, and capitalized interest, if any) shall not exceed \$35.0 million.

Distribution of costs among the various cost categories for the Redevelopment Projects are approximate. As the Redevelopment Projects are implemented, specific categorical items and actual associated costs may vary from those provided above. The above estimated costs are exclusive of costs of issuance of TIF Obligations (as hereinafter defined), reserve accounts, and capitalized interest, if any.

## **Additional Sources of Financing**

The Developer may create a community improvement district (the "CID") pursuant to the Community Improvement District Act, Sections 67.1401 to 67.1571, RSMo (the "CID Act"). If created, the CID will likely levy a 1% sales tax on all retail sales in the Redevelopment Area (the "CID Sales Tax"). In addition, the CID may levy a special assessment against



real property within the Redevelopment Area. It is not determined if the revenues from the CID will be included in the TIF.

These funds would provide additional financial assistance for the project beyond the TIF. Assuming the CID levies a 1% sales tax, between \$2,384,000 and \$2,714,000 (in 2021 dollars at a 6% or 5% discount rate, respectively) in additional revenue could be generated by the proposed Redevelopment Project.

## **General**

The present values of the TIF and CID are based on estimates of TIF and CID revenues which are projections only. While the Developer believes those projections are reasonable, such revenues may not materialize as estimated. The City has no obligation with respect to any TIF Obligations other than to pay principal and interest on the obligations with the TIF revenues produced within the Redevelopment Area.

## **8. ANTICIPATED FUNDS TO PAY COSTS AND OBLIGATIONS TO BE ISSUED**

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### **Anticipated Sources of Funds to Pay Redevelopment Costs**

It is anticipated that the sources of funds to pay the costs of the Redevelopment Projects could include:

- funds available to the Developer through the Developer's own operating revenues and cash reserves or through private financing and/or equity obtained or provided by the Developer;
- proceeds of TIF notes or TIF bonds issued by the City and secured by anticipated PILOTs and EATs collected pursuant to the TIF Act upon adoption of tax increment allocation financing for the Redevelopment Area by the City and deposited from time to time in the "special allocation fund" (as that term is defined in Section 99.805(16) of the TIF Act) established for the Redevelopment Projects, or, alternatively, the City's commitment to make the TIF revenues in the special allocation fund available to the Redevelopment Projects for a period of 23 years from the City's adoption of the TIF for each RPA (collectively, the "TIF Obligations"); and,
- funds generated by the CID.

### **Evidence of Commitments to Finance the Projects Costs**

Appendix B contains commitment letters provided by Stifel Financial Corporation and George Smith Partners to provide financing for the proposed Redevelopment Projects. The Developer also commits to finance Redevelopment Projects Costs through a combination of equity, conventional financing, TIF Obligations, and CID debt that would be initially purchased or privately placed by the Developer.

### **Anticipated Type and Term of Sources of Funds to Pay Costs**

As noted above, the sources of funds to complete the Redevelopment Projects are anticipated to include a combination of developer equity, conventional financing, TIF Obligations and CID debt. Conventional financing provided by the Developer will include both private construction financing and permanent financing. Terms of construction and permanent financing will be determined through negotiations between the Developer and the Developer's equity partners and private lending institutions.

As detailed below, TIF Obligations may consist of an initial issuance of temporary notes intended to be subsequently refunded by permanent bonds, each secured by revenues deposited in the special allocation fund, or, alternatively, the City's commitment to make the TIF revenues in the special allocation fund available to the Redevelopment Projects. As provided in the TIF Act, the maximum term of TIF financing will not exceed 23 years from the adoption by the City of the ordinance approving each Redevelopment Project Area.

## **Anticipated Type and Term of Obligations to be Issued**

It is anticipated that costs of the Redevelopment Projects may initially be financed through issuance by the City of Tax Increment Financing notes ("TIF Notes") purchased by the Developer or related parties associated with the development for each RPA after TIF financing is approved for that RPA. In addition, it is anticipated that separate TIF notes will be issued for the Area-Wide Projects. The TIF Notes may be secured by, and payable from, revenues available in the Special Allocation Fund. The TIF Notes may also serve as security for the issuance of revenue bonds and/or may be refunded with the issuance of TIF bonds.

TIF Notes may be issued in an aggregate principal amount reflecting the statutorily eligible Redevelopment Projects Costs incurred pursuant to this Redevelopment Plan and approved pursuant to a redevelopment agreement between the City and the Developer.

In no instance, however, shall the term of any TIF Obligation issued for a Redevelopment Projects within an RPA exceed 23 years from the adoption by the City of the ordinance approving the respective Redevelopment Projects for that RPA. The anticipated date of this approval for the RPA 1 Redevelopment Project is December 2021. Accordingly, the maximum estimated date for retirement of all TIF Obligations issued for the RPA1 Redevelopment Project is November 2044. Those anticipated dates may vary but the TIF Obligation term will not exceed 23 years from the adoption of the ordinance approving TIF financing in any event.

The City has no obligation with respect to the TIF Obligations other than to pay principal and interest on the obligations with the TIF Revenues produced within the Redevelopment Area. If the Redevelopment Area does not produce TIF revenues as projected, the City will in no way be responsible for the principal amount of or interest on the TIF Obligations or to reimburse the Developer for Redevelopment Project Costs.

## 9. EQUALIZED ASSESSED VALUATIONS

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### Most Recent Equalized Assessed Valuation of Property within the Redevelopment Area

The most recent equalized assessed valuation ("EAV") of property within the Redevelopment Area is provided by the records of the St. Louis County Assessor's Office. Because the 2021 assessments have not been fully finalized by the St. Louis County Assessor, the most recent EAVs reflect assessments for the tax year 2020. The total taxable 2020 EAV for the Redevelopment Area is \$2,509,040.

### Estimated Equalized Assessed Valuation after Redevelopment

The estimated EAV after redevelopment is predicated upon increases in property values resulting from the completion of the Redevelopment Projects. The table below provides an estimate of the resulting EAV after full redevelopment. The estimates below are preliminary only and subject to change. Actual EAV after redevelopment will depend on the manner in which the County Assessor calculates the value of the property and the success of the Redevelopment Projects.

<b>DOUGLASS HILL REDEVELOPMENT AREA ESTIMATED EAV AFTER REDEVELOPMENT (Current Dollars)</b>			
<b>RPA</b>	<b>2020 EAV</b>	<b>Estimated EAV After Redevelopment (1)</b>	<b>Estimated Incremental EAV After Redevelopment</b>
<b>1</b>	\$1,635,770	\$18,585,000	\$16,949,230
<b>2</b>	\$183,845	\$11,279,500	\$11,095,655
<b>3</b>	\$689,425	\$7,153,000	\$6,463,755
<b>TOTAL</b>	\$2,509,040	\$37,017,500	\$34,508,640

Source: St. Louis County and Development Strategies

(1) At stabilization, in 2021 dollars

## **10. REPORTING REQUIREMENTS**

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### **Annual TIF District Report**

Each year the governing body of the municipality, or its designee, shall prepare a report concerning the status of each redevelopment plan and redevelopment project, and shall submit a copy of such report to the director of the department of economic development. In addition, an annual statement showing the payments made in lieu of taxes received and expended in that year, the status of the redevelopment plan and projects therein, amount of outstanding bonded indebtedness and any additional information the municipality deems necessary shall be published in a newspaper of general circulation in the municipality. The requirements for such reports are detailed in the TIF Act at Sections 99.865.1 and 99.865.2.

### **Annual Report Regarding Relocated Businesses**

The TIF Commission, by the last day of February each year, shall report to the State Director of Economic Development the name, address, phone number, and primary line of business of any business which relocates to the Redevelopment Area pursuant to requirements of Section 99.810.2 of the TIF Act.

### **Public Hearing Required Every Five Years**

Five years after the establishment of a TIF district pursuant to an approved redevelopment plan, and every five years thereafter, the municipality's governing body shall hold a public hearing regarding that redevelopment plan. The purpose of this hearing shall be to determine if the redevelopment project is making satisfactory progress under its proposed time schedule. The requirements for such hearings are detailed in Section 99.865.3 of the TIF Act.

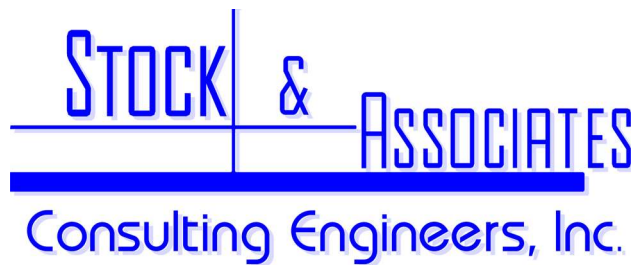




# **APPENDIX A**

**Legal Descriptions of the Douglass Hill  
TIF Redevelopment Area and RPAs**





### **RPA #1 Description**

An area being part of Webster Groves Subdivision as recorded in Plat Book 6 Pages 28-29 of the St. Louis City (Former County) Records, located in U.S. Survey 1953, Township 45 North, Range 6 East of the Fifth Principal Meridian, City of Webster Groves, St. Louis County, Missouri, being more particularly describes as follows:

Beginning at the intersection of the west line of North Rock Hill Road, variable width, with the north line of W. Kirkham Avenue, variable width; thence in an easterly direction, along said north line to its intersection with the eastern line of North Gore Avenue, variable width; thence along said eastern line in a south easterly direction to its intersection with the south line of Floodway as shown on the National Flood Insurance Rate Map 29189C0326 K, with an effective date of February 4, 2015; thence in a westerly direction along said south line 585 feet more or less to a point being 230 feet more or less south of the south right-of-way line of W. Kirkham Avenue; thence in a southerly direction along a line perpendicular to last said south right-of-way line of W. Kirkham Avenue, 116 feet more or less; at an angle of 86 degrees to the right, easterly along a line 425 feet more or less point of curvature to the left having a radius of 109.00 feet and a length of 54 feet more or less to a point of tangency; thence northeasterly to its intersection with the eastern line of N Gore Avenue, thence southeasterly along said eastern right-of-way, 82 feet more or less; thence departing said right-of-way line, westerly at right angles, 168 feet more or less to a point of curvature to the right having radius of 192 and an arc length of 95 feet more or less to a point of tangency; thence in an easterly direction 384 feet more or less; thence departing last said tangent line southerly at right angles, thence along said line 183 feet more or less to the southern line of Pacific Avenue 40 feet wide; thence in a westerly direction, along said southern line to its intersection with the west line of above said North Rock Hill Road; thence in a northerly direction, along said west line to the point of beginning.

Containing 13.75 acres more or less

### **RPA #2 Description**

An area being part of Webster Groves Subdivision as recorded in Plat Book 6 Pages 28-29 of the St. Louis City (Former County) Records, located in U.S. Survey 1953, Township 45 North, Range 6 East of the Fifth Principal Meridian, City of Webster Groves, St. Louis County, Missouri, being more particularly describes as follows:

Commencing at the intersection of the west line of North Rock Hill Road, variable width, with the north line of W. Kirkham Avenue, variable width; thence in an easterly direction, along said north line, 708 feet more or less; thence departing said right-of-way line at right angles to the left, 176 feet more or less to the south line of Floodway as shown on the

National Flood Insurance Rate Map 29189C0326 K, with an effective date of February 4, 2015; said point also being the POINT OF BEGINNING of the herein described area; thence in an easterly direction along said south line 585 feet more or less to its intersection with the eastern right-of-way line of N Gore Avenue; thence southerly along said eastern right-of-way line, 140 feet more or less; thence departing last said right-of-way line at right angles to the left; 167 feet to a point of curvature to the right having a radius of 90 feet and length of 54 feet more or less; to a point of tangency thence in an easterly direction along said tangent line 425 feet more or less; thence departing said tangent line with an angle of 86 degrees to the left 116 feet more or less to the POINT OF BEGINNING

Containing 1.70 acres more or less

### **RPA #3 Description**

An area being part of Webster Groves Subdivision as recorded in Plat Book 6 Pages 28-29 of the St. Louis City (Former County) Records, located in U.S. Survey 1953, Township 45 North, Range 6 East of the Fifth Principal Meridian, City of Webster Groves, St. Louis County, Missouri, being more particularly describes as follows:

Commencing at the intersection of the west line of North Rock Hill Road, variable width, with the north line of W. Kirkham Avenue, variable width; thence in an easterly direction, along said north line, 1,158 feet more or less to its intersection with the direct northwestern prolongation of the eastern line of North Gore, variable width; thence along said prolongation line and last said eastern line in a southerly direction 491 feet more or less the POINT OF BEGINNING of the herein described area; thence departing said right-of-way the following: in a southwesterly direction 167 feet more or less to a point of curvature to the right having a radius of 191.00 feet with an arc length of 94.90 feet to a point of tangency and continuing westerly along said tangent line, 383 feet more or less; thence departing said tangent line at right angles to the right, 183 feet more or less to the south line of Pacific Avenue 40 feet wide; thence along said south line in a northeasterly direction, 779 feet more or less to its intersection with the eastern line of above said North Gore Avenue; thence in a northerly direction, along said eastern line 329 feet more or less to the POINT OF BEGINNING

Containing 3.39 acres more or less



## **APPENDIX B**

### **Evidence of Commitment to Finance Projects Costs**

# STIFEL

August 17, 2021

Lawrence R. Chapman  
SG Collaborative, LLC  
c/o Seneca CRE  
1401 S. Brentwood Blvd., Suite 625  
St. Louis, MO 63144

Re: Proposed Douglass Hill Development, Webster Groves, Missouri

Dear Larry:


Stifel is in receipt of information you provided on the proposed Douglass Hill Development project to develop single family townhomes, multifamily buildings, commercial retail, office space, outdoor gathering and event space, a riverwalk and parking space in Webster Groves, Missouri. Per the information we have received, Stifel is interested in and prepared to assist the SG Collaborative with the financing of infrastructure at Douglass Hill through the sale of one or more bond issues that are to be repaid by tax increment financing revenues or other infrastructure funding vehicles available under Missouri law.

We have worked with the SG Collaborative team on many St. Louis regional projects and are extremely comfortable with their combined development experience and ability to model various incentive programs.

Based on our analyses of the information described above and our initial due diligence, Stifel looks forward to delivering infrastructure financing for the project either as a private placement agent or underwriter, subject to our further due diligence, acceptable financing documentation, and market conditions at the time of the bond sale or loan placement.

As you move forward, please do not hesitate to contact me at 314-342-2165 if you have any questions or would like additional information.

Sincerely,



Peter J. Czajkowski  
Director of Public Finance

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STIFEL, NICOLAUS & COMPANY, INCORPORATED

ONE FINANCIAL PLAZA | 501 NORTH BROADWAY | ST. LOUIS, MISSOURI 63102 | (314) 342-2000 | WWW.STIFEL.COM  
MEMBER SIPC AND NYSE



GEORGE SMITH PARTNERS  
REAL ESTATE INVESTMENT BANKING

10250 Constellation Blvd., Ste. 2700  
Los Angeles, California 90067

TEL 310.557.8336  
FAX 310.557.1276  
www.gspartners.com

July 30, 2021

Mr. Joel Oliver  
SG Collaborative, LLC  
8451 Maryland Ave  
Clayton, MO 63105

**Re: Proposed Douglass Hill Mixed-Use Project, Webster Groves, Missouri**

Mr. Oliver:

The purpose of this letter is to evidence George Smith Partners' preliminary commitment to provide up to \$200,000,000 in project financing for the proposed Douglass Hill mixed-use development project in Webster Groves, Missouri ("Project"). The Project involves the redevelopment of certain real property and the new construction of multi-family, commercial, and parking structure uses within the City of Webster Groves, Missouri. This preliminary commitment is subject to several contingencies, including the review of customary due diligence, the issuance of the necessary tax increment financing by the City of Webster Groves, and the review and approval of the Bank's Loan Committee, acting in its sole subjective discretion.

As we have discussed, financing of the Project would not be feasible without the assistance of tax increment financing. Therefore, please be advised that we are excited to provide financing for the Project, subject to credit approval, should the City of Webster Groves issue the necessary tax increment financing.

Should you have any questions, please do not hesitate to call.

Sincerely,

Kyle A. Howerton  
Senior Vice President  
George Smith Partners, Inc.

## **APPENDIX C**

### **Developer's Affidavit**

**DEVELOPER'S AFFIDAVIT**


STATE OF MISSOURI     )  
COUNTY OF ST. LOUIS    ) SS

**AFFIDAVIT**

The undersigned swears, affirms and certifies the following to be true to induce the approval of tax increment financing for the Redevelopment Area described in the Douglass Hill Tax Increment Financing (TIF) Redevelopment Plan (the "Redevelopment Area"):

1. The provisions of Section 99.810.1(1) of the Revised Statutes of Missouri, as amended, have been met.
2. In my opinion, based on the information available to me, the Redevelopment Area qualifies as a "blighted area" as defined in Section 99.805 of the Revised Statutes of Missouri, has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

SG COLLABORATIVE, LLC

By:   
Name: Lawrence R. Chapman, Jr.  
Title: Manager

Subscribed and sworn to before me this 23 day of August, 2021.



Angela Carr  
Notary Public

My commission expires on: 4/10/2023